

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

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September 1998

ITEMS TO REMEMBER

Per Volume 142, June 1998 The School Administrator and Uniform Compliance Guidelines, August 31 is the last date for the first publication of a school corporation budget (10 days prior to the public hearing). (IC 6-1.1-17-3)

SEPTEMBER

- September 1: Not earlier than September 1 or later than September 15 of each year, the governing body of a school corporation shall publish an annual performance report of the school corporation in accordance with IC 20-1-21-8. The report must be published one (1) time annually under IC 5-3-1. (IC 20-1-21-4)
- September 1: Prove the Fund Ledger and Ledger of Receipts for the month of August to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts within each program to the total disbursements of that program.
- September 7: Legal Holiday - Labor Day. (IC 1-1-9-1)
- September 7: Last date for second publication of school corporation budgets (3 days before the public hearing). (IC 5-3-1-2)
- September 10: Last date for public hearing on proposed budget (at least 10 days prior to the adoption of the budget). Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. (IC 6-1.17-5)
- September 16: Last date to file budgets with County Auditor at least two (2) days prior to the first meeting of the County Board of Tax Adjustment if applicable. (IC 6-1.1-17-5) (Contact State Board of Tax Commissioners at 317-232-3773 if conflicts exist with date.)
- September 18: The A.D.M. count shall be taken.
- September 18: Prime Time count shall be taken.
- September 18: Meeting of County Board of Tax Adjustment. Each County Board of Tax Adjustment, if applicable, shall hold its first meeting of each year on September 18 or on the first business day after September 18, if September 18th is not a business day. (IC 6-1.1-29-4)
- September 20: Last day to report and make payment of state and county income tax withheld during August to the Department of State Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 140, December 1997, of "The School Administrator and Uniform Compliance Guidelines.")

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September 20: Last date for meeting of School Board to make appropriations for 1999 and to fix tax levies. (IC 6-1.1-17-5) Also last date to conduct a public hearing and pass a resolution to adopt Capital Projects Fund and Transportation - School Bus Replacement Fund Plans. (IC 21-2-11.5 and IC 21-2-15)

September 14-

October 2: The A.D.A. count shall be taken between these dates.

September 26: Form 30A, Report of A.D.M. for State Support, is due in the office of Department of Education, Division of School Finance on or before this date.

OCTOBER

October 1: On or before this date all duties of the County Board of Tax Adjustment must be completed, except for a consolidated city or county. (IC 6-1.1-17-9) IC 6-1.1-17-12 provides for a notice procedure by the county auditor and an appeal procedure.

October 1: Prove all ledgers for the month ending September 30 as outlined for the month of August.

October 2: A.D.M. report due. (511 IAC 1-3-2)

October 2: Prime Time Report due.

October 12: Legal Holiday - Columbus Day. (IC 1-1-9-1)

October 16: Form 30B, Report of A.D.A for State Support is due in the Department of Education, Division of School Finance.

October 20: Last day to report and make payment of state and county income tax withheld during September to the Department of State Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 140, December 1997 of "The School Administrator and Uniform Compliance Guidelines.")

October 31: Last day to file third quarter report with the Internal Revenue Service and complete payment of federal tax withheld.

October 31: Requests for textbook reimbursement must be received by the Department of Education, Division of School Finance before November 1.

NOVEMBER

November 1: Prove all ledgers for the month ending October 31 as outlined for the month of August.

November 11: Legal Holiday - Veteran's Day. (IC 1-1-9-1)

November 26: Legal Holiday - Thanksgiving Day. (IC 1-1-9-1)

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November 30: On or before June 1 and December 1 of each year (or more frequently if the County Legislative Body adopts an ordinance requiring additional certifications) the School Corporation shall certify a list of the names and addresses of each person who has money due from the School Corporation to the County Treasurer. (IC 6-1.1-22-14)

SCHOOL FOOD SYSTEMS - PREPAID FOOD

Clearing Account No. 840 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 841 with 842 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1634 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). Subsidiary records by student should be routinely reconciled to the cash balance and at month end. The School Food Prescribed Forms and any approved computerized Forms will be required to be maintained in the following manner to accurately account for prepaid items.

A column titled "Prepaid Food" is added to the Daily Record of Cash Received, Form SF-2, for recording prepaid amounts received which have not been identified as to revenue type, i.e., lunch, breakfast, etc. Amounts will be entered both in "Prepaid Food" and "Total Cash Received" for each day because cash has been received.

Another column "Prepaid Food Applied" is also added to Form SF-2, which will show periodic (and monthly) activity whenever prepaid meals are identified (charged to breakfast, lunch, etc.). Amounts in "Prepaid Food Applied" should at all times equal for each day, the amounts charged to various categories, i.e., student lunch, adult breakfast, etc. that were not paid for in cash. Amounts will not be added to "Total Cash Received" because cash has been previously entered and recognized in "Prepaid Food". You are merely transferring "Prepaid Food" to the applicable categories.

The final column added to SF-2 is "Prepaid Food Trust", which is the running balance column which shows the difference between "Prepaid Food" and "Prepaid Food Applied". The amounts in "Prepaid Food Trust" are deducted from the "Balance" column in SF-3 Form, School Food Service Cash Disbursements which then should equal the amount in the new SF-3 Column "Available Cash Balance". Amounts are not entered in "Total Cash Received" because "Prepaid Food Trust" is merely a balance column. Computerized systems should provide a list, by student of cash balances which should sum to the "Prepaid Food Trust".

The Ledger of Receipt, Disbursement and Balances, SF-4 Form should also show appropriate columns for those transactions.

GROUP INSURANCE - DEPENDENTS OF EMPLOYEES

Official Opinion No. 50 of the Attorney General of the State of Indiana, issued in 1965, concluded that there is no statutory authority for a governmental unit to purchase group hospitalization insurance coverage for dependents of its employees. However, the Attorney General issued Official Opinion No. 44 (1966) as a clarification of the 1965 opinion.

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**GROUP INSURANCE - DEPENDENTS OF EMPLOYEES
(Continued)**

The 1966 opinion concluded that a governmental unit may contribute toward the insurance of legal dependents of the employee. By "legal dependents" the opinion refers to those dependents for whom the employee is required by law to pay their medical expenses, which would include the employee's wife and minor dependent children. However, not included are those persons, whether or not related, for whom the employee voluntarily assumes liability for such expenses or insurance coverage.

IC 5-10-8-2.6(c) states in part "A public employer may pay a part of the cost of group insurance . . ." (Our Emphasis) Therefore, a school corporation may not pay the entire cost of such insurance.

MILITARY LEAVE OF ABSENCE

IC 10-2-4-3 states "(a) This section applies to all officers and employees of the state of Indiana or any county, township, municipality, or school corporation in Indiana who are listed in subsection (b).

(b) As used in this section, "member" refers to the following:

(1) A member of the Indiana National Guard.

(2) A member of a reserve component.

(3) A member of the retired personnel of the naval, air, or ground forces of the United States.

(c) A member is entitled to receive from the member's employer a leave of absence from the member's respective duties, in addition to regular vacation period, without loss of time or pay for such time as the member is:

(1) on training duties of the state of Indiana under the order of the governor as commander in chief; or

(2) a member of any reserve component under the order of the reserve component authority; for consecutive or nonconsecutive periods not to exceed a total of fifteen (15) days in any calendar year.

(d) A member is entitled to receive from the member's employer a leave of absence from the member's respective duties, in addition to the member's regular vacation period, for the total number of days that the member is on state active duty under section 4 of this chapter. This leave of absence may be with or without loss of time or pay at the discretion of the member's employer."

IC 10-5-9-1 states "Any person who, as a reserve member of the armed forces of the United States, is called upon to receive temporary military training, shall be entitled to a temporary leave of absence from his employer not to exceed fifteen (15) days in any one (1) calendar year. Provided, that such person is required to provide his employer with evidence of the dates of his departure and return as soon as practicable prior to his departure, and shall be required to furnish his employer upon his return, evidence of his satisfactory completion of such training. Upon his return, such person shall be restored to his previous, or similar position, with the same status as he held before leaving for his training period. Such leaves may be granted with or without pay within the discretion of the employer.

Any temporary leave of absence so granted shall not affect the rights of the person to vacation leave, sick leave, or other normal benefits of his employment."

Unofficial Opinions of the Attorney General of the State of Indiana, court decisions, and statutory provisions provide us with the following audit position:

1. Officers and employees of a school corporation are entitled to leave of absence without loss of vacation time from their duties and shall be allowed compensation in accordance with the aforementioned.

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**MILITARY LEAVE OF ABSENCE
(Continued)**

2. The compensation shall be in addition to the military pay received by a school corporation officer or employee.
3. The compensation would be for regular days of school employment missed.
4. The officer or employee is required to furnish the school corporation with proper certification orders to support the claims for compensation while absent on military duty.

STUDENT HELP FOR SCHOOL LUNCH PROGRAMS

All student helpers working in the school cafeteria or kitchen must be paid for such services, and pay for their own lunches in the same manner and amount as other students. There is no provision in the School Lunch accounting system for furnishing meals as payment or part payment for services rendered by students.

Student helpers in the school lunch program should be paid from the School Lunch Fund for their services in compliance with a schedule adopted by the board of school trustees. Remuneration per hour should be fixed by the board of school trustees and all student helpers paid accordingly. Students performing services for any school in which they are enrolled, and are regularly attending classes are not considered employees for purposes of the Indiana Minimum Wage Law, IC 22-2-2-3.

A daily record must be kept by the cafeteria manager, or other person in charge of the lunch room, showing the name of each individual and the hours worked each day. The record must be submitted daily to the treasurer. The treasurer, on the basis of information submitted should periodically issue individual checks to each student helper, weekly, bimonthly, or in any manner determined by the board of school trustees. The student will follow local procedures for buying meals like all other students.

The procedure outlined above should be followed whether the school lunch program is handled through the school corporation account, or through an extra-curricular account or accounts.

**INDIANA STATE BOARD OF ACCOUNTS
SOURCE CODE REQUIREMENTS FOR COMPUTER SYSTEMS.**

The enabling legislation for the State Board of Accounts is contained in the Indiana Code Title 5, Article 11, Chapter 1. This legislation documents the State Board of Accounts responsibility and authority over the formulation, prescription and installation of systems of accounting and reporting. In addition, this legislation specifically extends this responsibility and authority to electronic, automated or computerized systems of accounting.

In order to meet the responsibilities of this legislation, it may be necessary for the State Board of Accounts to examine the detail processing of accounting information being performed by a computer program to insure accuracy and completeness. A review of the source code and data structure information is a necessary step in this determination of the integrity of computer processing of accounting information. During this audit procedure, the source code and any other proprietary information reviewed by the Field Examiner is considered confidential. Therefore, the vendor does not lose copyright, trade secret, or license - contract protections

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INDIANA STATE BOARD OF ACCOUNTS
SOURCE CODE REQUIREMENTS FOR COMPUTER SYSTEMS
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through public disclosure. In addition, this audit process does not result in access to the source code by a potential buyer and thus does not reduce the value of this asset to the vendor.

Therefore to enable the State Board of Accounts to meet its audit responsibilities the following requirements should be included in the purchasing specifications for accounting application computer systems.

Upon request for audit purposes or in the event (Vendor Name) no longer provides maintenance service for the computer application system installed at (Unit Name), (Vendor Name) shall provide representatives of the State Board of Accounts with access to the computer source code for this application system.

Upon request for audit purposes, (Vendor Name) shall provide representatives of the State Board of Accounts with a document describing the operating system used, the language the source code is written in, the name of the compiler used and the structure of the data files including data file names, data file descriptions, field names and field descriptions for the computer application system installed at (Unit Name).

Signed: _____

Title: _____

Date: _____

OBSOLETE VOLUMES

All articles of Volume 103 of the School Administrator have now been updated and reprinted in later volumes or are no longer applicable. Therefore, Volume 103 which was distributed in September 1988 may now be deleted from your file.